



# CITY OF SAN ANTONIO

P. O. BOX 839966  
SAN ANTONIO TEXAS 78283-3966

November 16, 2012

**Julián Castro**  
Mayor

**Diego M. Bernal**  
Councilman, District 1

**Ivy R. Taylor**  
Councilwoman, District 2

**Leticia Ozuna**  
Councilwoman, District 3

**Rey Saldaña**  
Councilman, District 4

**David Medina, Jr.**  
Councilman, District 5

**Ray Lopez**  
Councilman, District 6

**Cris Medina**  
Councilman, District 7

**W. Reed Williams**  
Councilman, District 8

**Elisa Chan**  
Councilwoman, District 9

**Carlton Soules**  
Councilman, District 10

**SUBJECT: Audit of Municipal Court Financial and Statistical Reporting to External Agencies**

Mayor and Council Members:

We are pleased to send you the audit report of Municipal Court Financial and Statistical Reporting to External Agencies. This audit began in May 2012 and concluded with an exit meeting with department management in October 2012. Management's verbatim response is included in **Appendix B** of the report. Municipal Court staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'Kevin W. Barthold'.

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor  
City of San Antonio

Distribution:

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**CITY OF SAN ANTONIO**  
**OFFICE OF THE CITY AUDITOR**



Audit of Municipal Court

Financial and Statistical Reporting to External Agencies

Project No. AU12-011

November 16, 2012

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor

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## Executive Summary

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As part of our annual Audit Plan, we conducted an audit of Municipal Court Financial and Statistical data reporting to the State. The audit objective, conclusions, and recommendations follow:

### **Is Municipal Court accurately reporting Financial and Statistical data to the State?**

Yes, the reporting of Financial and Statistical information was accurate. However, we did note that after the new Statistical reporting requirements took effect on September 2011, the reporting was no longer being submitted timely. The Court Clerk informed us that the Municipal Court systems used to track the statistics were not programmed to facilitate the new reporting methods. Beginning September 2012, Municipal Court completed the reprogramming and submitted past and current Statistical data to the Texas Office of Court Administration.

No recommendations were reported. Municipal Court has completed the necessary reprogramming to both of their systems and, effective September 2012, is reporting statistical data accurately and timely.

Municipal Court's acknowledgement of this report is in **Appendix B** on page 6.

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## Background

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The Municipal Court represents the third branch of government for the City of San Antonio. Judicial authority resides in the eight (8) Municipal Courts of Record, which are responsible for the interpretation and adjudication of City ordinances as well as other Class “C” misdemeanors enacted by the Texas Legislature. Court activities include conducting court proceedings, the hearing and adjudication of parking citation disputes, and 24-hour detention services for area municipalities and Bexar County.

The San Antonio Municipal Court was created by the City Charter. Its jurisdiction and authority are prescribed by Article 4.14 of the Texas Code of Criminal Procedure and Section 30.080 of the Texas Government Code. In general, the Municipal Court has jurisdiction over offenses occurring within the city limits which are violations of municipal ordinances or violations of a state statute. The City of San Antonio also operates a Magistrate Court, which informs arrested persons of their constitutional and statutory rights, and sets bail for those persons entitled to bail.

The Courts report directly to the Mayor and City Council. However, they operate administratively under the guidance of City Management and the related administrative directives.

The Courts are required to report and remit various state court costs and fees. They are required to report the following reports to the State: State Criminal Costs and Fees – City Quarterly Report; Texas Excess Motor Carrier Fines; Child Safety Seat and Seat Belt Violation Fines and, Excess Highway Fines if applicable. The reports are required to be submitted either quarterly or annually. Additionally, the City may retain 10 percent of the money collected from criminal costs and fees as long as the funds collected are reported and remitted timely. If not reported timely, the retainer is forfeited and submitted to the State.

The Courts are also required to submit statistical information of court activity. The Texas Administrative Code requires submission of court activity reports each month to the Office of Court Administration no later than 20 days following the end of the month reported. These monthly reports must be submitted online.

For fiscal year 2011, Municipal Court recorded \$21 million in fines and fees. Municipal Court receives the majority of its payments for fines and fees from moving and parking violations as well as deferred dispositions. Also in fiscal year 2011, the City submitted \$12.1 million in criminal costs and fees to the State.

## Audit Scope and Methodology

The audit scope included the Statistical and Financial reporting processes as well as a review of Municipal Court's financial transactions for fiscal year 2011 and the first two quarters of fiscal year 2012.

We interviewed personnel from the Court's Fiscal Operations Division and Finance Department personnel. We observed reporting processes performed by Municipal Court and Finance. We reviewed the Texas Office of Court Administration and the Texas Judicial Council websites to obtain an understanding of the required Statistical data submitted to the State. Additionally, we reviewed the Municipal Court Financial Management Handbook<sup>1</sup> to obtain an understanding of the financial data required to be submitted to the State.

We reconciled the State Criminal Costs and Fees report to SAP. We accomplished this by tracing source documentation from the MARR system to SAP for financial transactions reported in the second quarter of fiscal year 2012. Source documentation included transactions from MARR and Tyler Incode made on the web and at all City Link Centers. Also, we verified that the City retained the allowed 10% administrative fee for submitting the reports timely.

We reconciled the Child Safety Seat and Seat Belt report from the MARR system to SAP. This report is due on an annual basis; therefore, we reviewed all transactions processed during fiscal year 2011. We verified the total fines collected on the MARR report to determine if the required 50% was submitted to the State.

We reconciled the Texas Excess Motor Carrier Fines report to the MARR system. This report is due on a quarterly basis; therefore, we reviewed transactions processed for the second quarter of fiscal year 2012. The State requires fines be submitted only when total fines collected exceeds total expenses to enforce the violations plus ten percent. Since the total fines collected did not exceed 110% of expenses, no money was due to the State.

Finally, we verified the accuracy of the August 2012 statistical report that Municipal Court sends to the Texas Office of Court Administration. Municipal Court is required to submit the Statistical report on a monthly basis.

We relied on computer-processed data in SAP to obtain populations. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

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<sup>1</sup> The handbook was developed for Texas Cities by the State Office of Court Administration with the assistance of the Texas Court Clerks Association

We conducted this audit from May 2012 to October 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on our audit objectives. Our audit included tests of management controls that we considered necessary under the circumstances.

## **Audit Results and Recommendations**

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### **A. Accurate Criminal Cost and Fees Reporting**

Municipal Court is accurately and timely reporting criminal costs and fees to the State. The reporting consists of all costs and fees collected at Municipal Court, the City Link Centers and through the web. We reviewed web payments and selected a judgmental sample of 25 days for the quarter ending March 31, 2012 and found no discrepancies between the report and supporting financial documentation. Also, we reviewed all transactions processed at the Link Centers for the same quarter and found no discrepancies compared to what was submitted to the State. Also, the report was submitted to the State within the required deadline.

#### **Recommendation**

None.

### **B. Statistical Data Reporting Not Submitted Timely**

Municipal Court did not timely submit Statistical data to the Texas Office of Court Administration.

The Texas Office of Court Administration issued new statistical reporting guidelines for municipalities effective September 2011. Municipal Court did not comply with the new reporting requirements until September 2012. This was due to a delay in reprogramming efforts for both the MARR and Tyler Incode system to reflect new reporting requirements. The reprogramming consisted of changing the coding on tickets to reflect the new reporting measurements. Municipal Court mentioned the reprogramming was more difficult than anticipated, hence the delay in reporting.

Additionally, we determined that the monthly Statistical report submitted to the Texas Office of Court Administration was accurate.

#### **Recommendation**

None. Municipal Court has completed the necessary reprogramming to both of their systems and, effective September 2012, is in compliance with State requirements.

## **Appendix A – Staff Acknowledgement**

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Danny Zuniga, CPA, CIA, Auditor in Charge  
Claudia Peña, CFE, Auditor

## Appendix B – Management Response

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### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor  
San Antonio, Texas

RE: Management's Acknowledgement of the Audit of Municipal Courts Financial and Statistical Reporting to External Agencies

Here are our comments to the subject report.

Fully Agree (provide detailed comments)

Agree Except For (provide detailed comments)

Do Not Agree (provide detailed comments)

Sincerely,

  
\_\_\_\_\_  
Fred Garcia, Jr.  
Court Clerk

11-6-12  
Date

  
\_\_\_\_\_  
Judge Bull  
Presiding Judge  
Municipal Court

11-6-12  
Date